

REMARKS

Presently, claims 70-89 are pending in the application. Claims 17-32 and 34-69 have been canceled. New claims 70-89 have been added to more particularly point out the present invention. Support for the features of new claims 70-89 may be found, for example, in canceled claims 1-69, Fig. 4B and at page 13, line 25 – page 14, line 16 of the specification. Accordingly, no new matter has been added to the application by the foregoing amendments.

Prior Art Rejection – § 102(e)

The Examiner has rejected claims 17-32 and 34-60 under 35 U.S.C. §102(e) as being anticipated by U.S. Patent No. 6,704,930 B1 to Eldering (“Eldering”). The Examiner contends that Eldering discloses all features of Applicants’ invention, including transmitting advertisements within an advertisement channel at a bit rate less than that required to present the advertisement in real time. Applicants respectfully traverse this rejection.

Eldering discloses a method and apparatus to insert targeted advertisements directed to subscribers into a program stream. In Eldering, one or more programs are multiplexed (e.g., statistically) into a single channel. Since bandwidth is allocated according to the requirements of the program contents, the bandwidth allocated to each of the individual programs in the channel may vary over time. Thus, Eldering discloses six different methods of multiplexing advertisements into a program stream, including synchronous, pleisochronous and asynchronous insertion using both constant bit rate (“CBR”) and available bit rate (“ABR”) techniques (see Fig. 6). In the CBR technique, each of the advertisements to be inserted has an equal bandwidth. In the ABR technique, the bandwidth of the advertisements are made compatible (i.e., equal to) with the existing bit stream. For example, using Eldering’s synchronous ABR insertion method, the bandwidth of the program streams are not adjusted for the advertisements; rather the advertisement material is compressed to a level identical that of the program stream prior to insertion (see column 5, lines 1-5 of Eldering). In Eldering, if there is insufficient bandwidth in the channel to accommodate the selected advertisement, the ad may be

delayed (for example, in a pleisochronous CBR method) or not transmitted at all (for example, in a synchronous ABR method). Eldering further discloses that advertisements may be multiplexed into a program stream as part of a dedicated advertisement channel. The ads in the ad channel may be inserted into the appropriate program streams in real-time, or be stored for subsequent display at an appropriate insertion time (see Fig. 8).

For a rejection under § 102(e) to be proper, a reference must disclose, either explicitly or inherently, each and every element of the claimed invention. Applicants respectfully submit that Eldering does not teach each and every element recited in independent claim 70.

New independent claim 70 recites:

A method of delivering advertisements to subscribers in a television or video network environment having a transmission medium, a display device and a storage medium, the method comprising:

- (a) transmitting program content to the subscribers over the transmission medium at a program content transmission bit rate;
- (b) displaying the program content to the subscribers on the display device;
- (c) transmitting advertisements to the subscribers over the transmission medium at an advertisement transmission bit rate, wherein the advertisements are transmitted in advance of being presented to the subscribers and are transmitted simultaneous with the transmission and display of the program content;
- (d) storing the advertisements in the storage medium; and
- (e) varying the advertisement transmission bit rate such that the transmission of the advertisements does not substantially reduce the program content transmission bit rate. (emphasis added)

Initially, Applicants respectfully point out that Eldering is directed to a method of inserting advertisements directly into a program stream. That is, the advertisements in Eldering are placed into a specific slot within an already multiplexed program stream (see Figs. 2-5 of Eldering). In the embodiments reflected in Figs. 2-5 of Eldering, the

advertisements are not stored for future display and/or insertion – the advertisements are integrated directly with the program stream and content. As such, none of the advertisement insertion methods of Eldering disclose the steps of “storing the advertisements in the storage medium,” as recited in claim 70. Moreover, in the three CBR insertion methods disclosed by Eldering, the bandwidth of the program stream is adjusted to meet the designated CBR of the advertisement. This adjustment occurs at or prior to the insertion time. In the three ABR methods disclosed by Eldering, the bandwidth of the advertisements to be inserted is matched to the bandwidth of the applicable program stream. Thus, in Eldering, if the program bandwidth cannot be reduced to the applicable CBR or if the advertisement bandwidth cannot be made to match the applicable ABR, the advertisements will not be inserted (unless a delay is applied to find a suitable insertion point). Thus, Eldering’s advertisement methods do not vary “the advertisement transmission bit rate such that the transmission of the advertisements does not substantially reduce the program content transmission bit rate,” as recited in independent claim 70. Stated differently, in Applicants’ claimed invention, the transmission of advertisements is varied such that program content transmission bit rate is unaffected by the advertisement transmission. However, the since the advertisements in claim 70 need not be matched to the program content transmission bit rate, Applicants’ method continues to transmit advertisements using the varied advertisement transmission bit rate. Similarly, in Applicants’ invention the program bandwidth need not be altered to satisfy a CBR imposed by the transmitted advertisements.

Eldering’s method of transporting advertisements discussed with reference to Fig. 8 also does not disclose all the features of independent claim 70. Although the dedicated ad channel enables advertisements to be transported to a local storage device for future display, such a transport mechanism still does not disclose “varying the advertisement transmission bit rate such that the transmission of the advertisements does not substantially reduce the program content transmission bit rate.” Eldering simply does not disclose that the advertisement transmission bit rate is altered in any manner. In fact, Eldering’s Fig. 8 teaches away from Applicants’ claimed invention, since Eldering discloses that the “in-band ad channel is treated in a same manner as the primary

multiplexed stream” (see column 7, lines 2-3 of Eldering). If Eldering’s ad channel is treated as a program content channel (as stated by Eldering), then the bandwidth or transmission bit rate of the ad channel could not be varied, since doing so would “substantially reduce,” alter or affect the transmission bit rate of any other program content channels. This is directly contrary to Applicants’ claimed invention. Thus, Eldering does not disclose each and every element of Applicants’ invention. Accordingly, new independent claim 70 is believed to be allowable over Eldering.

New independent claim 80 recites, in relevant part, “(e) varying the advertisement transmission bit rate such that the transmission of the advertisements does not cause the maximum bandwidth of the transmission medium to be exceeded.” For the same reasons discussed above with respect to new independent claim 70, neither the advertisement insertion methods (Figs. 2-5) nor the advertisement transport mechanism (Fig. 8) of Eldering disclose varying the advertisement transmission bit rate to avoid exceeding the maximum bandwidth of the transmission channel. Accordingly, new independent claim 80 is believed to be allowable over Eldering.

Claims 71-79 and 81-89 are allowable at least by their dependency on independent claims 70 and 80, respectfully. Claims 17-32 and 34-60 have been canceled. Reconsideration and withdrawal of the Examiner’s §102(e) rejection are respectfully requested.

Conclusion

In view of the foregoing amendments and remarks, Applicants respectfully submit that the Examiner's rejection has been overcome, and that the application, including claims 70-89, is in condition for allowance. Reconsideration and withdrawal of the Examiner's rejection and an early Notice of Allowance are respectfully requested.

Respectfully submitted,

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